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SUBJECT: ROH'S NEW YEAR ADDRESS FOCUSES ON DOMESTIC ISSUES

Classified By: Pol M/C Joseph Y. Yun. Reasons 1.4 (b/d)

SUMMARY

1. (SBU) Although he made brief mention of the importance of co-existence and engagement with the DPRK, President Roh Moo-hyun focused almost entirely on domestic and economic issues in his annual New Year's address delivered on January 23. Roh omitted references to the U.S.-ROK alliance and a possible North-South Summit that were contained in a prepared text. The speech provoked predictably scathing remarks from the opposition politicians, but generated little or no response from the public. END SUMMARY.

BUILD TRUST WITH NORTH KOREA

2. (U) In the closing minutes of his nationally-televised annual address, President Roh endorsed a continuation of his administration's engagement policy with North Korea. He said that his core strategy for peace was coexistence, and "the secret of the wisdom for reconciliation, cooperation, and

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co-existence is trust and engagement." Thus, even though "we are upset to some extent, let us be tolerant and build trust. Let us embrace the other party with confidence and with a magnanimous attitude. We can never achieve anything with confrontation." Roh did not specifically mention any specific engagement policies or any other issues regarding the DPRK.

AN ENDORSEMENT OF FREE TRADE

3. (U) Roh also made a passing reference to the US-ROK FTA. "Efforts will be made to make it successful," he said. He also expressed a wish to conclude a free trade agreement with Singapore.

ROH FOCUSES ON DOMESTIC ISSUES

4. (U) Otherwise, Roh's speech focused entirely on domestic concerns. He regretted the economic polarization of South Korean society and stressed the importance of increasing employment, promoting small- and medium-sized businesses, and controlling housing prices. He argued that the key to achieving a per capita income of 30,000 USD in accordance with the government's "Vision 2030" plan would be rapid

implementation of reforms, though he did not specify the reforms that would be necessary.

¶15. (U) Roh advocated in favor of his proposal to amend the Constitution to provide for two consecutive, four-year presidential terms. He said that the opportunity to make the change would not arise for another twenty years. As he has done on several recent occasions, Roh lashed out at the media, asserting that their privileges could not be tolerated and that they were serving narrow partisan interests, not the people.

REFERENCE TO ALLIANCE AND ROK-DPRK SUMMIT OMITTED

¶16. (C) Roh omitted significant portions of a prepared text. NAD 1 Director Hahn Choong-hee told us prior to the speech on January 23 that the text included a statement that while the U.S.-ROK relationship was healthy, robust, and developing in a future-oriented manner, the ROK should pursue a security policy based on its own power and a self-reliant defense. OPCON transfer would be essential to that policy. President Roh had also planned to announce that a North-South summit could be possible if there were progress in the Six Party Talks.

¶17. (C) A draft of the prepared speech that we received from a different source contained a passage stating that "it was neither an appropriate attitude as a self-reliant country, nor a reasonable thing to do to our ally, to deploy another country's troops at the front line and call them a 'tripwire.' Psychological, rather than realistic, dependency is a bigger problem. Dominated by the thought that we cannot keep ourselves safe without the U.S., the whole nation is thrown into chaos whenever a comment on USFK withdrawal comes out, and every bit of the USFK Commander's comments make headlines. Relocating the 2nd division of U.S. forces to the rear, a partial cut in USFK troops, and the OPCON transfer are all meant to lessen the dependency."

¶18. (C) The text continues that "it is only natural for a self-reliant nation to have a self-initiated OPCON. It is also a substantive and practical issue that may significantly affect the safety of the people and the future relations with North Korea and foreign relations in North East Asia. In its foreign affairs and national security policy, the Administration seeks to see beyond the inter-Korean relations and the ROK-US alliance, to consider the future order in North East Asia -- and harmonize the security of today and tomorrow. To this end, a balanced diplomacy is needed. The Administration specifically envisions a multilateral security regime in Northeast Asia, which is reaffirmed at the September 19 Joint Statement and at the ROK-U.S. Summit." (NOTE: Several local media outlets quoted from the prepared text as if it had been delivered by the President. In fact, Roh did not comment on the US-ROK alliance, transfer of OPCON, or the prospects for an ROK-DPRK Summit. END NOTE.)

RULING AND OPPOSITION PARTY RESPONSE

¶19. (U) The speech predictably provoked a blistering response from opposing parties. Grand National Party spokesperson Na Kyung-won said that it was a "disgraceful and irresponsible speech, only full of self-praise, while blaming and criticizing others." Democratic Party spokesperson Lee Sang-yeol said it was an "unconvincing self-excuse, full of self-praise, only imposing his own position on others." "A disappointing speech," said the Democratic Labor Party's Park Yong-jin, "full of ongoing blame on others, without assuming responsibility for policy or economic failure."

COMMENT

¶10. (C) We do not know for certain why Roh omitted the alliance portion of his address. After the uproar that

followed his December 21 speech to KINU, where Roh discussed the alliance at length, it is possible that he wanted to avoid further controversy. It is also possible that Roh felt he did not have enough time for both domestic and foreign policy issues.

¶11. (C) The public did not appear to be particularly interested in President Roh's speech and, indeed, the remarks generated relatively little reaction among ordinary citizens. Thus, it is curious that the speech attracted 22 percent of the viewing public, a fairly high number for a President with an abysmal 12 percent support rate. At least part of the audience probably tuned in expecting to watch "Ju Mong," a wildly popular drama about the ancient Koguryo Dynasty which normally airs Tuesday at 22:00. With all major networks airing the speech live and half the country already in front of the television, President Roh had a large, pre-positioned audience. To the delight of most viewers, "Ju Mong" came on at 23:00.
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